

# MEMO

DATE: June 09, 2009

TO: Mayor and City Council Members

FROM: Tom Hardy, City Manager

RE: 2009-10 Fiscal Year Budget

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## **SUMMARY**

The past 12 months have been extremely challenging economically for the city, the state and our nation. A year ago, when we adopted our 2008-09 fiscal year budget, it seemed to be pretty much “business as usual,” with the exception that residential and commercial construction had started to slow somewhat. In September, the federal government announced the potential meltdown of the financial system, followed by adoption by Congress of a \$700 billion bailout package to rescue AIG, prop up “Fannie Mae” and “Freddie Mac”, infuse dollars throughout the banking industry, and try to stay off a global economic meltdown. That action (Troubled Asset Relief Program or TARP) was followed by a quickly deepening recession, with new car sales plummeting almost 40%, real estate values continuing to soften and decline, and people tightening their belts and severely constraining the purchasing which had taken place over the last several years. Predictably, sales tax in Bountiful and throughout the state of Utah declined, as did corporate and individual income taxes. Gasoline and diesel fuel, which had peaked at over \$4 per gallon in the summer, plummeted due to reduced demand, and was selling for \$1.30 per gallon by beginning of 2009.

In response to the severe economic downturn, the federal government under the leadership of a Democratic congress and President, responded with a very large (\$787 billion) stimulus package which significantly increases the federal deficit. At the same time, the state of Utah, responding to the severe economic downturn, adopted a budget less than last year’s budget, folding in a decrease of spending to agencies and school districts. Concern was expressed by the State of Utah that while the federal stimulus program did grant some money to the State of Utah, it was one-time money, and while it could be used to soften the deficit that the state faced 2009-10 fiscal year, without that money forthcoming in future years a significant challenge would be faced in the 2010-11 budget.

By law, the State of Utah is required to adopt a balance budget. Meanwhile, other states and cities throughout the United States, but particularly in the West, continue to suffer from fiscal

distress, with California's distress culminating in a vote by taxpayers several weeks ago to reject the suggested changes to the state law proposed by the governor and legislature and mandating that the state adopt a balance budget.

Against this backdrop, Bountiful City began to prepare its 2009-10 budget. Bountiful City sales tax has declined ever since September, with the percent decrease each month over a year previous varying between 6% and 23%. Building in Bountiful has all but come to a halt, both in commercial and residential sectors. Overall building activity is 60%-70% below the building rates of previous years. Some businesses in Bountiful have gone out of business, while others struggle with the severe economic downturn. Cars sales, long a staple of the sales tax base of Bountiful City, have experienced a severe volume decline. The two questions that everyone seems to be asking are how deep will this recession be and how long will it last? While no one has the answers to these questions, the 2009-10 budget, which begins July 1, 2009, assumes that the economic recession will not deepen over where it is currently, but will not improve significantly before June 30, 2010, when the fiscal year ends. So, after four months of budget preparation, analysis, review, modification and presentation to the City Council, we are presenting tonight for final Council consideration and for public comment the 2009-10 Budget. This budget is balanced with regard to revenues and expenses, as required by state law. The total budget is \$55,512,514, a decrease of 8% over the current year budget. In order to achieve a budget that much lower than last year's budget, the City has cut back on both capital and operating expenses. In addition, the City is spending approximately \$2.2 million out of its reserves, primarily in the electrical fund, to continue needed capital projects that cannot be funded out of current year revenues. Taken together, the smaller budget and the drawdown of reserves results in current year revenue decreases of 10% over last year.

**THE 2009-10 BUDGET DOES NOT INCLUDE ANY PROPOSED INCREASES IN PROPERTY TAXES OR UTILITY RATES OR FEES**

Bountiful has the lowest property tax rate of any city its size or larger in the state of Utah, a position it has held for several years. Bountiful has one of the lowest property tax rates in Davis County. Bountiful's utility rates – electric, water, garbage, storm drainage, and recycling – combined are lower than any other city in Davis County and among the lowest in the state of Utah. Residents pay less to Bountiful City than they would pay to Salt Lake City, Ogden, Provo, West Valley, Sandy, West Jordan, St. George, Layton, and in fact less than any of the cities in Davis County. Additionally, most Bountiful residents enjoy the advantages of "secondary" water, also known as "Weber Basin" water which allows most Bountiful residents to utilize unlimited amounts of non-culinary, irrigation water during the months of April through October. No tax or utility rate increases are proposed in the 2009-10 budget.

The 2009-10 budget does not include a cost of living adjustment for Bountiful City employees. Additionally, Bountiful City employees will be expected to pay significantly more for comparable medical insurance or choose a medical insurance coverage that requires significantly higher individual contributions, co-pays, deductibles and out of pocket maximums. Out of state

travel has been virtually eliminated in the budget with only the necessary travel and training to keep current with required training and certifications included. The 2009-10 budget is designed to get Bountiful City government through a tough recessionary time in the same way that citizens will get through this tough time – by decreasing expenses to match decreased income, and living within its means as a “pay as you go” city. Bountiful City does not borrow unless absolutely necessary and pays for needed repairs, replacements and upgrades to the City’s infrastructure as those needs become necessary and apparent.

### **A BUDGET “PRIMER”**

Bountiful, like every other city and town throughout the state of Utah, is required to adopt a budget for a fiscal year which begins July 1 and ends June 30. The budget must be balanced with regard to revenues and expenses. Additionally, by state law municipal budgeting is to be done by “funds” which aggregate municipal activities into certain types of functions. In Bountiful, there are three general types of “funds.” The first type is known as “governmental” funds and represents the activities that are paid for predominantly out of the general taxes of the City, as opposed to being funded through user charges. The primary services received through these general funds include police, fire, streets, engineering, parks, planning and administrative services provided by the City. The second type of funds are “enterprise” or proprietary funds which are used primarily for the City’s utilities and other activities which are paid for almost exclusively by the user of those services. The amount charged is based on the amount used. Examples of these activities include water, electric, storm drainage, garbage collection and landfill operations, as well as cemetery and golf course services. The last type of funds are known as “intra-governmental service funds”, which are used to pay for activities provided to all departments of the City, and where funds are collected from each department and aggregated together into one budget. Examples of these funds include the City’s liability insurance, worker’s compensation, and computer maintenance services. A recent inclusion in this category is the “Recreation Arts and Parks tax (RAP)” fund, which the City uses to account for money collected and remitted to Centerville City for construction of a new cultural arts facility for the south end of Davis County.

By mandating how governments budget, cities are able to compare their activities and expenses by function with other governmental entities throughout the state. A central data base of the activity is compiled by the State, so these comparisons can be easily made.

### **BUDGET HIGHLIGHTS – REVENUES**

Most people think that government is funded primarily through taxes. While that is true at the state and federal levels, in Bountiful the largest amount of revenue received is from user fees, where citizens pay according to the level and amount of service they receive. In the 2009-10 budget, user fees account for \$35.5 million or 64% of the total City budget. Taxes fund \$11.9 million, or approximately 22% of the 2009-10 budget. Finally, approximately \$3million of the 2009-10 budget will come from reserve funds in the Power Department which are now being

spent to complete needed capital projects, primarily at the City's main 138KV Substation located in Centerville.

The City of Bountiful has no general obligation debt; however, the City does have lease obligations for municipal facilities that have been built, and which are paid for by those benefitting from the municipal facilities. For example, the City put in needed infrastructure for the Renaissance Town Center, and is being paid back by the property owners who benefit from the water, sewer, curb, gutter, sidewalk and other improvements made on their behalf. Additionally, the City has two municipal facilities that are being funded through the City's municipal building authority. First is the Public Safety building, where the state court is located. Due to the fiscal constraints placed on the state court, the City renegotiated its lease with the State of Utah, and will be paying the lease payments for the state next year. The state, in turn will repay those lease payments, with interest, at the end of the lease period. The second municipal facility is the parking structure at the Renaissance Town Center, which is being paid back from property taxes collected from the benefitting property owners of the medical office building and the other buildings that have been constructed in the Renaissance Town Center area.

As the attached charts indicate, user fees provide 90% of the funding for all of the enterprise or business operations of the City, whereas taxes provide 63% of all of the general government operations.

### **BUDGET HIGHLIGHTS – EXPENDITURES**

As the attached chart shows, \$45 million, or 82% of the total budget will be used to fund the operations and maintenance of the City for the next year. Additionally, the City will spend \$6.7 million, or 12% of the 2009-10 budget, for capital projects. Of that amount, the Power Department has the largest capital expense budget, with \$2.6 million of projected expenditures. Finally, the budget does include a transfer of funds from the power fund to the general fund. The transfer represents 10% of electric metered sales. As the attached chart indicates, the Power Department transfer has not increased over the past 12 years, and all of the increases in power rates over the last 12 years have been driven solely by the increased cost of purchasing power and operating the system. Again, there is no increase in power rates for this year.

### **A PRIMER ON TAXES**

Citizen surveys conducted in the past several years indicate a lack of understanding among the tax-paying public about how much they pay in taxes and where the money that they pay in taxes goes. As the attached chart indicates, the average household in Bountiful has an income of \$81,723, based on the 2007 return year. Nearly 52% of households in Bountiful earn over \$50,000 per year.

The average household pays a variety of federal, state and local taxes. The largest amount of taxes, not surprisingly, are taxes collected by the federal government, comprising almost \$22,000

or 75% of all taxes paid. Of that amount, the largest single tax that people pay is the Social Security/Medicare tax, half of which is paid by the individual taxpayer and half of which is paid by the taxpayer's employer. Because the employer pays half of the amount and the employee has the other half withheld from his check and does not fill out any sort of paperwork such as a tax return on the withholding, it tends to be "invisible," but it does represent the largest single source of income to the federal government. All of the money that goes to the federal government from the payment of Social Security and Medicare withholding is used to pay current benefits, and to show a reduction to the federal deficit "on paper." None of the money that is collected is being set aside to pay for future benefits. The federal government's actuarial obligations to current and future beneficiaries of the Social Security system are astronomical, and no long-term plan has been put in place to deal with that financial time bomb. Medicare, the medical insurance program for senior citizens, is projected to be bankrupt and unable to support itself within the next five years, while Social Security is projected to be unsustainable within the next 20 years. Unfortunately, the federal government is unwilling at this point to own up to either of these financial conditions. Both parties acknowledge the unsustainability of the so-called "entitlement" programs of the federal government – Medicare, Medicaid and Social Security – but are unwilling to face up to the hard reality that the benefits promised are greater than the ability of the government to pay.

The second largest tax paid by the average Bountiful resident is federal income tax. That money goes to the federal government for use in the general operations of the government, the largest expenses of which are social programs such as Medicaid, national defense, interest on the national debt, and other federal expenses. Unfortunately, even with the large amount of taxes collected from Bountiful residents for federal programs, the federal government is running a huge deficit, and projected to be almost \$1.9 trillion this year. In fact, 40¢ of every dollar that the federal government is spending this year is being borrowed and the projected budget deficit for FY 2010 is \$1.4 trillion even without the stimulus and TARP programs. The citizens of Bountiful, with the citizens from the rest of the nation, should be extremely concerned about our federal government's inability to balance its budget and live within its means.

At the state level, the obvious largest tax paid is personal income tax. Both personal and corporate income tax in the state of Utah is dedicated to the uniform school fund to help pay for education in this state. Sales tax is the second largest source of taxes paid to the state, and goes to fund the general operations of state government. Finally, gas tax and licensing of vehicles goes to fund road construction, maintenance and repair throughout the state.

The largest local tax is property tax. Property tax is primarily used to fund education. Statewide, education levies account for 56% of all property taxes paid, while counties account for 18%, cities 15% and special districts 11%. In Davis County, however, 62% of all property taxes levied go to fund education, while 21% goes to Davis County, 8% to fund Bountiful City, and 9% to Special Districts. Thus, in Bountiful, tax payers pay a proportionally larger amount of their property tax to the Davis County School District and Davis County, about the same to special districts, and less than half the average city percentage to Bountiful City.

Bountiful City property taxes have been and continue to be kept low by the City Council. As the attached table shows, Bountiful has the lowest property tax rate of any of the 30 largest cities in the state, and the amount of property tax assessed by Bountiful is less than half of the average of the 20 largest cities in the state. Even in Davis County, which traditionally has smaller cities and less government services provided by municipalities, Bountiful's rate is 44% lower. Thus, while the average Bountiful resident pays approximately \$1,500 in property tax annually, only \$124 of that property tax goes to Bountiful City. The balance goes to other taxing entities. The 2009-10 budget has no property tax increase in it.

Sales taxes go predominantly to the state of Utah. Of the total sales tax rate of 6.6% on retail sales, the state receives 4.7%, while Bountiful receives 1.1%. The balance of sales taxes goes to the Utah Transit Authority (.55%) and Davis County (.25%). Gasoline taxes are imposed by both the federal government and state government, with the federal government receiving 18.5¢ per gallon and the state government receiving 24.5¢ per gallon. These amounts have not been changed in many years, even though the retail price of gas during that period has doubled. The increase in the number of miles driven has been offset by increased fuel efficiency of vehicles, so the overall revenue from gasoline tax has not increased to either the federal government or the state government over the past ten years. The 2009-10 budget does not include any increases in sale or gasoline taxes.

### **FUNDING GENERAL GOVERNMENT OPERATIONS**

Bountiful's governmental funds are funded primarily through taxes. The largest single tax which the City receives is sales tax. While Bountiful receives 1.1% of all sales taxes, or 15% of the total sales tax paid by citizens, that money is distributed statewide on the basis of a formula of 50% population and 50% point of sale. Bountiful's retail base has not kept pace with the income level of its citizens, and many of our citizens shop elsewhere for the goods and services they purchase. This situation has been exacerbated by the opening of the Costco retail area, which has added many general retail, restaurant, specialty retail and home improvement stores, all of which have increased Bountiful's retail base. Because of increased competition from big box stores, some of Bountiful's traditional retail base of smaller stores and specialty stores have gone out of business.

The second largest source of tax revenues are what is known as "franchise" taxes, and primarily include the energy sales and use tax from the sale of electricity and natural gas. A 6% tax on the retail sales of these commodities account for the great majority of the franchise taxes, although there are also taxes attributed to cell phone usage, cable TV and land-line based telephone services. The third largest source of revenue is property taxes, which comprise only 17% of all tax revenues received by Bountiful City. Finally, the general fund receives a \$2.2 million transfer from the power fund to the general fund, which represents 10% of electric sales.

As a public power City, Bountiful has for the last thirty years transferred money from the power fund to the general fund in order to keep the property tax rates as low as possible and to provide

a return on assets to the citizens of this City for the operation of an electric utility. Virtually all public power cities (those with their own municipal power departments) transfer funds from the power fund to the general fund. This includes thousands of cities across the nation, ranging in size from Los Angeles, CA; Austin, TX; Seattle, WA; and Mesa, AZ; to cities as small as Spanish Fork, Kaysville and Meadow, Utah. In fact, state law provides the mechanism to accomplish the transfer of those funds. All of the funds transferred to the general fund pay for operation of general governmental activities, which are primarily fire, police and streets.

As the attached charts indicate, even with the increase in power rates, Bountiful's power rates will still be below Rocky Mountain Power's projected rates, and are still among the lowest in the state of Utah. The transfer of money from the power fund to the general fund also provides a way to recoup the cost of providing municipal services to tax-exempt properties that pay neither income nor property tax. It also provides a mechanism to keep property taxes low by having large commercial consumers provide a proportional amount of revenue, while providing relief to small consumers such as those who live in apartments and smaller homes, and therefore have lower power consumption.

### **SUMMARY**

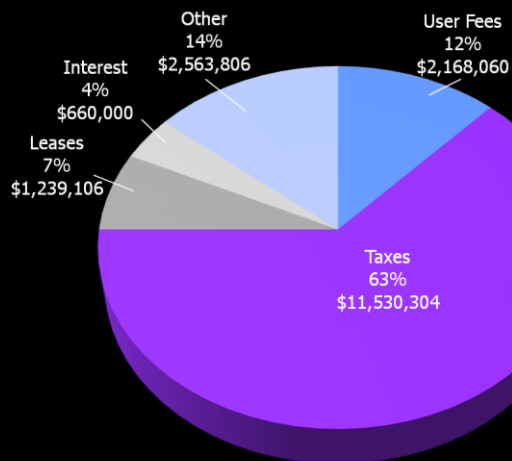
Bountiful's 2009-10 budget is balanced with regard to revenues and expenses, provides the reductions necessary to keep the City on a sustainable path for the next several years, and continues to provide for the funding necessary to deliver world-class, quality service to citizens of Bountiful while maintaining the public infrastructure. The 2009-10 budget provides citizens a high-level of safe and reliable public safety, street maintenance, parks, recreation, water, power, snow removal and other services, while at the same time keeping Bountiful's taxes, fees, charges and rates lower than any of the surrounding communities. As the "City of Beautiful Homes and Gardens," Bountiful will continue to be an outstanding city in which to live, to raise families, to do business and to recreate. We look forward to implementing the 2009-10 fiscal year which begins July 1, and pledge to be wise stewards of the public funds and city assets contained in this budget.



# BOUNTIFUL CITY

## 2009-2010 Fiscal Year Budget

### 2009-2010 BUDGET Where The Money Comes From

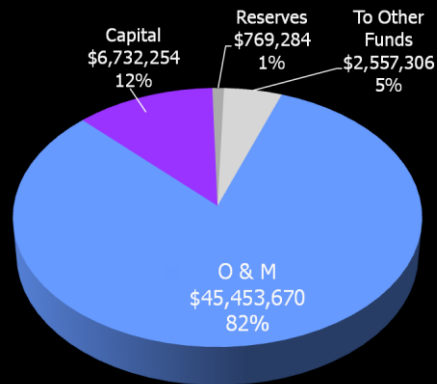




## 2009-2010 BUDGET -- Where The Money Comes From

FUND	User Fees	Taxes	Leases	Interest	Reserves	Other	TOTAL
General	\$ 2,168,060	\$ 9,887,566	\$ 269,000	\$ 125,000	\$ 0	\$ 2,256,500	\$ 14,706,126
Capital	\$ 0	\$ 1,642,738	\$ 0	\$ 517,000	\$ 0	\$ 0	\$ 2,159,738
Debt Service & MBA	\$ 0	\$ 0	\$ 970,160	\$ 18,000	\$ 0	\$ 307,306	\$ 1,295,412
<b>GOVERNMENTAL FUNDS TOTAL</b>	<b>\$ 2,168,060</b>	<b>\$11,530,304</b>	<b>\$ 1,239,106</b>	<b>\$ 660,000</b>	<b>\$ 0</b>	<b>\$ 2,563,806</b>	<b>\$18,161,276</b>
<b>% OF BUDGET</b>	<b>12%</b>	<b>63%</b>	<b>7%</b>	<b>4%</b>	<b>0</b>	<b>14%</b>	<b>100%</b>
Recycling	\$ 441,036	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 441,036
Storm Water	\$ 901,240	\$ 0	\$ 0	\$ 10,000	\$ 0	\$ 0	\$ 911,240
Water	\$ 3,000,426	\$ 0	\$ 0	\$ 49,300	\$ 0	\$ 4,550	\$ 3,054,276
Power	\$ 25,266,887	\$ 0	\$ 32,200	\$ 69,000	\$ 2,763,500	\$ 67,105	\$ 28,198,692
Golf Course	\$ 1,181,000	\$ 0	\$ 29,000	\$ 22,500	\$ 0	\$ 195,000	\$ 1,427,500
Landfill	\$ 879,400	\$ 0	\$ 0	\$ 110,000	\$ 0	\$ 0	\$ 989,400
Sanitation	\$ 848,900	\$ 0	\$ 0	\$ 13,000	\$ 0	\$ 0	\$ 861,900
Cemetery	\$ 309,800	\$ 0	\$ 3,900	\$ 25,500	\$ 22,461	\$ 1,200	\$ 362,861
<b>ENTERPRISE FUNDS TOTAL</b>	<b>\$32,828,689</b>	<b>\$ 0</b>	<b>\$ 65,100</b>	<b>\$ 299,300</b>	<b>\$ 2,785,961</b>	<b>\$ 267,855</b>	<b>\$36,246,905</b>
<b>% OF BUDGET</b>	<b>90%</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>8%</b>	<b>1%</b>	<b>100%</b>
Computer Maintenance	\$ 33,551	\$ 0	\$ 0	\$ 1,102	\$ 0	\$ 0	\$ 34,563
Liability Insurance	\$ 275,000	\$ 0	\$ 0	\$ 57,000	\$ 138,632	\$ 0	\$ 470,632
Worker's Compensation	\$ 145,000	\$ 0	\$ 0	\$ 20,000	\$ 84,138	\$ 0	\$ 249,138
RAP Tax	\$ 0	\$ 350,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 350,000
<b>INTERNAL SERVICE FUNDS TOTAL</b>	<b>\$ 453,551</b>	<b>\$ 350,000</b>	<b>\$ 0</b>	<b>\$ 78,012</b>	<b>\$ 222,770</b>	<b>\$ 0</b>	<b>\$ 1,104,333</b>
<b>% OF BUDGET</b>	<b>41%</b>	<b>32%</b>	<b>0%</b>	<b>7%</b>	<b>20%</b>	<b>0%</b>	<b>100%</b>
<b>TOTAL - ALL FUNDS</b>	<b>\$35,450,300</b>	<b>\$11,880,304</b>	<b>\$ 1,304,206</b>	<b>\$ 1,037,312</b>	<b>\$ 3,008,731</b>	<b>\$ 2,831,661</b>	<b>\$55,512,514</b>
<b>% OF BUDGET</b>	<b>64%</b>	<b>22%</b>	<b>2%</b>	<b>2%</b>	<b>5%</b>	<b>5%</b>	<b>100%</b>

## 2009-2010 BUDGET Where The Money Goes



## 2009-2010 BUDGET -- Where The Money Goes

FUND	O & M	Capital	To Reserves	To Other Funds	TOTAL
General	\$ 14,706,126	\$ 0	\$ 0	\$ 0	\$ 14,706,126
Capital	\$ 0	\$ 1,852,432	\$ 0	\$ 307,306	\$ 2,159,738
Debt Service & MBA	\$ 0	\$ 1,295,412	\$ 0	\$ 0	\$ 1,295,412
<b>GOVERNMENTAL FUNDS TOTAL</b>	<b>\$ 14,706,126</b>	<b>\$ 3,147,844</b>	<b>\$ 0</b>	<b>\$ 307,306</b>	<b>\$ 18,161,276</b>
% OF BUDGET	81%	17%	0%	2%	100%
Recycling	\$ 441,036	\$ 0	\$ 0	\$ 0	\$ 441,036
Storm Water	\$ 681,558	\$ 36,540	\$ 193,142	\$ 0	\$ 911,240
Water	\$ 2,459,752	\$ 467,370	\$ 127,154	\$ 0	\$ 3,054,276
Power	\$ 23,380,192	\$ 2,568,500	\$ 0	\$ 2,250,000	\$ 28,198,692
Golf Course	\$ 1,153,932	\$ 135,000	\$ 138,568	\$ 0	\$ 1,427,500
Landfill	\$ 857,772	\$ 0	\$ 131,628	\$ 0	\$ 989,400
Sanitation	\$ 683,108	\$ 0	\$ 178,792	\$ 0	\$ 861,900
Cemetery	\$ 335,861	\$ 27,000	\$ 0	\$ 0	\$ 362,861
<b>ENTERPRISE FUNDS TOTAL</b>	<b>\$ 29,993,211</b>	<b>\$ 3,234,410</b>	<b>\$ 769,284</b>	<b>\$ 2,250,000</b>	<b>\$ 36,246,905</b>
% OF BUDGET	83%	9%	2%	6%	100%
Computer Maintenance	\$ 34,563	\$ 0	\$ 0	\$ 0	\$ 34,563
Liability Insurance	\$ 470,632	\$ 0	\$ 0	\$ 0	\$ 470,632
Worker's Compensation	\$ 249,138	\$ 0	\$ 0	\$ 0	\$ 249,138
RAP Tax	\$ 0	\$ 350,000	\$ 0	\$ 0	\$ 350,000
<b>INTERNAL SERVICE FUNDS TOTAL</b>	<b>\$ 754,333</b>	<b>\$ 350,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,104,333</b>
% OF BUDGET	68%	32%	0%	0%	100%
<b>TOTAL - ALL FUNDS</b>	<b>\$ 45,453,670</b>	<b>\$ 6,732,254</b>	<b>\$ 769,284</b>	<b>\$ 2,557,306</b>	<b>\$ 55,512,514</b>
% OF BUDGET	82%	12%	1%	5%	100%

## 2009-2010 BUDGET

### 2007 Calendar Year Income Tax Distribution -- Bountiful

#### AVERAGE HOUSEHOLD TAXES

Federal Taxes	\$ 10,134	Social Security (12.4%)
	\$ 2,370	Medicare (2.9%)
	\$ 9,164	Income Tax
	\$ 238	Gas Tax (19 ¢ / gallon)
	\$ 21,906	Total Federal Taxes (74%)
State Taxes	\$ 4,086	Income
	\$ 1,000	Sales
	\$ 606	Gas & Licensing
	\$ 5,692	Total State Taxes (19%)
Local Taxes	\$ 1,510	Property Tax
	\$ 400	Sales
	\$ 160	Franchise
	\$ 2,070	Total Local Taxes (7%)
<b>TOTAL</b>	<b>\$ 29,668</b>	<b>Total Taxes</b>

# 2009-2010 BUDGET

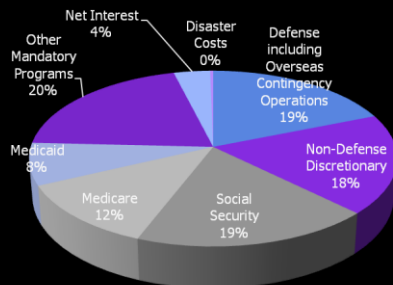
## 2007 Calendar Year Federal Income Tax Highlights

- Bountiful households (14,142) reported a total of \$1.5 billion in income on their federal returns in 2007
- Bountiful residents paid \$133 million in federal income taxes in 2007
- Over 50% of Bountiful households reported incomes of greater than \$50,000 in 2007
- Average household income in 2007 was \$81,723, up 4.6% over 2006

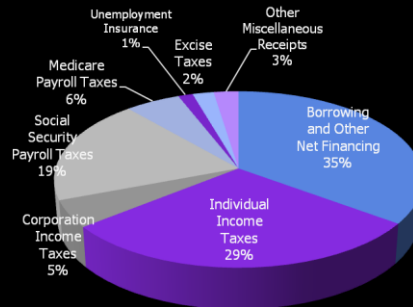
# 2009-2010 BUDGET

## Federal Tax Distribution

**Policy Outlays by Category**



**Policy Revenues by Source**

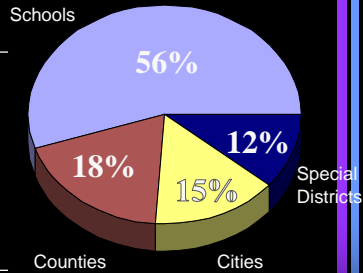


# 2009-2010 BUDGET

## State of Utah Average Residential Property Tax

\$250,000	Market Value
X .45	Homeowner's Exemption
<u>\$112,500</u>	Total Homeowner's Exemption
\$137,500	Taxable Value
X 0.010582	
\$ 1,455	

Government Type	Tax rate	% of total	TOTAL REVENUE
<b>Schools</b>	0.005877	56%	\$1,361,500,000
<b>Counties</b>	0.001877	18%	\$ 435,000,000
<b>Cities</b>	0.002058	15%	\$ 366,000,000
<b>Special Districts</b>	0.000367	12%	\$ 289,000,000
<b>TOTALS</b>	0.010582	100%	\$2,451,500,000

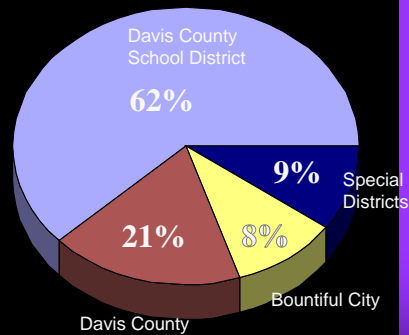


# 2009-2010 BUDGET

## Bountiful/Davis Property Tax on \$250,000 Home

\$ 250,000	Market Value
X .45	Homeowner's Exemption
<u>\$ 112,500</u>	Total Homeowner's Exemption
\$ 137,500	Taxable Value
X 0.010985	
\$ 1,510	

Distribution	Certified Tax Rate	% Of total	Entity
\$ 930	.006764	62%	Davis Co. School District
\$ 320	.002329	21%	Davis County (including library)
\$ 124	.000903	8%	Bountiful City
\$ 136	.000989	9%	Special Districts (Weber Basin, Bountiful Subconservancy, South Davis Recreation, South Davis Sewer, Mosquito Abatement)
\$1,510	.010985	100%	



# 2009-2010 BUDGET

## 2007-08 Property Tax Rates – Utah Cities

City	Tax Rate	Tax Bill on \$250,000 Home	% of Bountiful
SALT LAKE CITY	0.003917	\$ 539	434%
WEST VALLEY CITY	0.003171	\$ 436	351%
PROVO	0.002122	\$ 292	235%
OREM	0.001578	\$ 217	175%
WEST JORDAN	0.00181	\$ 249	200%
LAYTON	0.001771	\$ 244	196%
ST. GEORGE	0.001206	\$ 166	134%
OGDEN	0.003109	\$ 427	344%
TAYLORSVILLE	0.001514	\$ 208	168%
LOGAN	0.002189	\$ 301	242%
MURRAY	0.001767	\$ 243	196%
MIDVALE	0.001938	\$ 266	215%
SOUTH JORDAN	0.001699	\$ 234	188%
DRAPER	0.001528	\$ 210	169%
HOLLADAY	0.001312	\$ 180	145%
COTTONWOOD HEIGHTS	0.002098	\$ 288	232%
BRIGHAM CITY	0.002169	\$ 298	240%
AMERICAN FORK	0.002426	\$ 334	269%
LEHI	0.001901	\$ 261	211%
AVERAGE	0.002064	\$ 284	229%
BOUNTIFUL	0.000903	\$ 124	100%

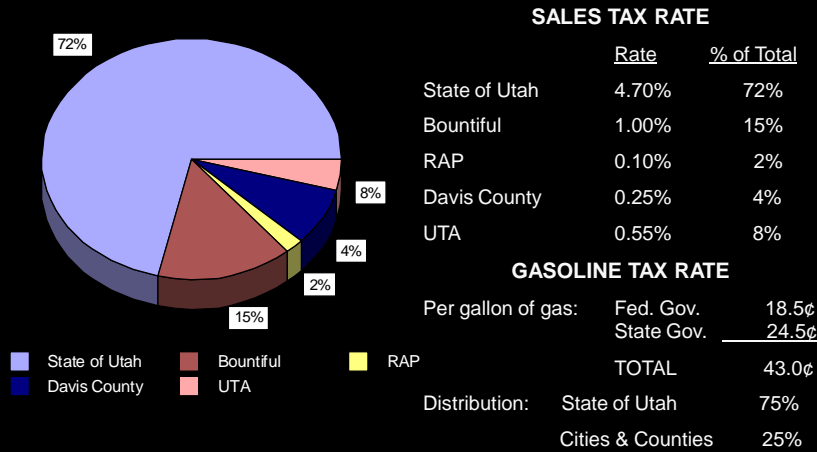
# 2009-2010 BUDGET

## 2007-08 Property Tax Rates – Davis County Cities

City	Tax Rate	Tax Bill on a \$250,000 Home	% of Bountiful
CENTERVILLE	0.000923	\$ 127	102%
CLEARFIELD	0.001548	\$ 213	171%
CLINTON	0.001623	\$ 223	180%
FARMINGTON	0.001982	\$ 273	219%
FRUIT HEIGHTS	0.001925	\$ 265	213%
KAYSVILLE	0.000829	\$ 114	92%
LAYTON	0.001771	\$ 244	196%
NORTH SALT LAKE	0.001258	\$ 173	139%
SOUTH WEBER	0.000883	\$ 121	98%
SUNSET	0.001253	\$ 172	139%
SYRACUSE	0.001500	\$ 206	166%
WEST BOUNTIFUL	0.001204	\$ 166	133%
WEST POINT	0.000895	\$ 123	99%
WOODS CROSS	0.000646	\$ 89	72%
AVERAGE	0.001303	\$ 179	144%
BOUNTIFUL	0.000903	\$ 124	100%

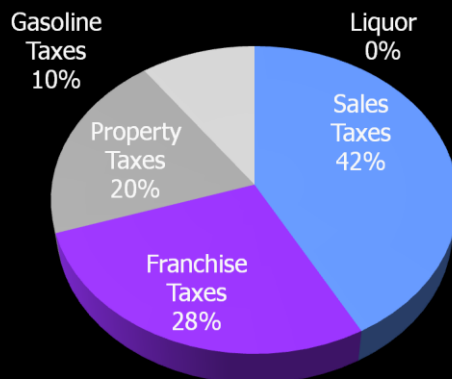
# 2009-2010 BUDGET

## Sales Tax Rates



# 2009-2010 BUDGET

## Tax Revenues



# 2009-2010 BUDGET

## Tax Revenues

<b>Tax</b>	<b>Amount</b>	<b>Percentage</b>
Sales Taxes	\$ 4,957,000	42%
Franchise Taxes	3,290,000	28%
Property Taxes	2,390,000	20%
Gasoline Taxes	1,200,000	10%
Liquor Taxes	43,000	0%
<b>TOTALS</b>	<b>\$ 11,880,000</b>	<b>100%</b>

# 2009-2010 BUDGET

## Light & Power Fund – 12-year History of Expenses

<b>Year</b>	<b>General Fund Transfer</b>	<b>Generation Expenses</b>
<b>1998-99</b>	\$ 2,130,000	\$ 6,098,000
<b>1999-2000</b>	1,886,000	8,046,000
<b>2000-01</b>	2,119,000	15,102,000
<b>2001-02</b>	1,903,000	16,175,000
<b>2002-03</b>	1,915,000	12,200,000
<b>2003-04</b>	2,019,000	16,175,000
<b>2004-05</b>	2,150,000	13,504,000
<b>2005-06</b>	2,322,867	13,654,294
<b>2006-07</b>	2,428,995	13,599,650
<b>2007-08</b>	2,400,000	14,293,000
<b>2008-09</b>	2,200,000	16,987,999
<b>2009-10 (budget)</b>	2,200,000	17,544,534

# 2009-2010 BUDGET

## Residential Customer Electric Consumption

### Rocky Mountain Power Rates:

8.98¢	for first 1,000 KWH	May - September
12.13¢	for all KWH over 1,000	May - September
7.70¢	for all KWH	October - April
\$4.00	per month customer charge	
\$6.00	per month customer load charge if KWH consumption exceeds 1,000 KWH for two months.	

# 2009-2010 BUDGET

## Residential Customer Electric Consumption

Month	Consumption	Rocky Mountain Power Bill	Bountiful Bill
January	800	\$ 71.60	\$ 74.48
February	720	65.44	67.43
March	640	59.28	60.38
April	600	56.20	56.86
May	900	90.82	83.29
June	1500	166.45	136.15
July	1800	196.84	162.58
August	1900	208.97	171.39
September	1300	136.19	118.53
October	600	56.20	56.86
November	640	59.28	60.38
December	920	80.84	85.05
<b>TOTALS</b>	12,320	\$1,242.11	\$ 1,133.38
\$108.73, or 8.7% lower with RMP surcharge \$ 36.73, or 3.1% lower without RMP surcharge			